



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
BOSTON REGIONAL OFFICE
33 ARCH STREET, 24th FLOOR
BOSTON, MASSACHUSETTS 02110-1424
TELEPHONE: (617) 573-8900
FACSIMILE: (617) 573-4590**

January 24, 2019

FILED VIA ECF

Honorable Robert W. Lehrburger
United States Magistrate Judge
Southern District of New York
500 Pearl Street, Courtroom 18D
New York, NY 10007-1312

Re: SEC v. Shapiro, et al., 15-cv-07045-RMB

Dear Judge Lehrburger:

The parties write to provide the Court with a status update, as required by the July 26, 2018 case management plan (ECF No. 128).

Discovery is proceeding pursuant to the deadlines set by the Court's July 26, 2018 case management plan; however, the Commission's ability to participate in the discovery process has been significantly constrained by the lapse in appropriations. Among other things, the parties are not presently able to schedule depositions, because trial counsel have been furloughed since late December, and moreover, there are no travel funds available for even "excepted" Commission staff to prepare for and attend depositions, absent extraordinary circumstances. In addition, while the parties have continued to negotiate as to the scope of Peters' document request for certain of the Commission's investigative files, the Commission staff has a limited capacity to both identify potentially responsive documents and to produce such documents to counsel, because virtually all employees in the Boston Regional Office are in furlough status.

The parties are in agreement that it will not be feasible to complete fact discovery by the current deadline of March 31, 2019, in light of the delay occasioned by the partial government shutdown. Accordingly, as soon as the lapse in appropriations ceases, the parties will meet and confer, and propose a new scheduling order for the Court's consideration.

The parties do not believe that a settlement conference would be fruitful at this time. However, if the parties are unable to fully resolve their dispute as to the scope of Peters' document request, we anticipate seeking the Court's assistance in reaching a resolution.

Sincerely,

/s/

Rua M. Kelly
Senior Trial Counsel

Cc: Brett Jaffe, Esq. (counsel for Defendant Tyler Peters)